



County Briefing Webinar

August 28, 2020



AGENDA

- I. Recovery Office Updates
- II. County Best Practices
- III. County Plan Update
- IV. Next Steps
- V. Questions

124 Days

Until December 30, counting
today.





AGENDA ITEM I
Recovery Office Updates

OFFICE OF RECOVERY UPDATES

General information:

- ✓ We have posted the a single FAQ document with all of questions so far on the website.
- ✓ We have provided over 400 emails, voicemails, and guidance interpretation responses and continue to respond to general questions via the recovery@ks.gov email inbox.
- ✓ We are expecting additional guidance on the ability to hold funds beyond 12/30 for a federal audit.
- ✓ We have posted Federal Audit Requirement Guidance on the [covid.ks.gov](https://www.covid.ks.gov) website.



OFFICE OF RECOVERY UPDATES

General information:

- ✓ FYI: Recently released information that shows how funds are being spent nationwide

<https://home.treasury.gov/system/files/136/Interim-Report-of-Costs-by-Category-Incurred-by-State-and-Local-Recipients-through-June-30.pdf>





AGENDA ITEM IV
County Best Practices

COUNTY BEST PRACTICES

Statewide collaboration:

- ✓ Share with your colleagues—no need to reinvent the wheel:
 - What is working well
 - What have you tried that did not work

What's good for one may be good for all! Please share with the State, we want to be a resourceful partner to each of you and be utilized as a conduit for sharing useful tools, information and ideas across the State.



COUNTY BEST PRACTICES

Grant Programs:

- ✓ Consider utilizing community partners to help administer grant programs
- ✓ We highly discourage direct payments to businesses without a formal application process.
- ✓ Consider development of selection and/or committee to review applications and award funds – be aware of and avoid potential conflict of interests



COUNTY BEST PRACTICES

Subrecipient Engagement – Cities, Schools, Taxing Authorities and/or Community Partners

- ✓ Strongly recommend establishment of Memorandum of Agreement to serve as a contractual vehicle for sharing funding with subrecipients.
- ✓ Subrecipients should agree that use of funds is consistent with the statute and have not otherwise been reimbursed for that expenditure
- ✓ Office of Recovery has developed a template MOA. The template is a helpful tool, not a State requirement to use.
- ✓ PLEASE work with appropriate professionals to make it work for the type of expenditure being made and entity you are providing funding to.
- ✓ The MOA allows the county to protect itself for non-compliant expenditures



COUNTY BEST PRACTICES

Subrecipient Monitoring

- ✓ Understand the capacity of your potential subrecipient and ensure that you meter your method of providing funds appropriately
- ✓ Advance payment requires regular reconciliation of funds and introduces risk of non-compliance risk only being discovered AFTER funds spent
- ✓ Reimbursement has less compliance risk but introduces more administrative burden for County; subrecipients may also have limited capital to incur expenses without advance/prompt payment
- ✓ PLEASE work with appropriate professionals to balance pro/cons of each and determine what methods works best for each potential subrecipient.



Update on Information Requested – County Taskforces

Did your county utilize a local taskforce to assist in recommending how CARES Act funds would be allocated?

Yes	74 (89%)
No	9 (11%)

83 of 105 (79%) counties responded.

Who is managing your county's CARES Act funding program?

Outside contractor	29 (35%)
County staff normal job duties	38 (46%)
County staff extra compensation	15 (18%)
Using all the above	1 (1%)



AGENDA ITEM V
County Plan Update

Update: Preliminary review of all 105 County CRF Reports complete

Detailed review of Round 1 spending reports submitted on Aug. 17th is ongoing



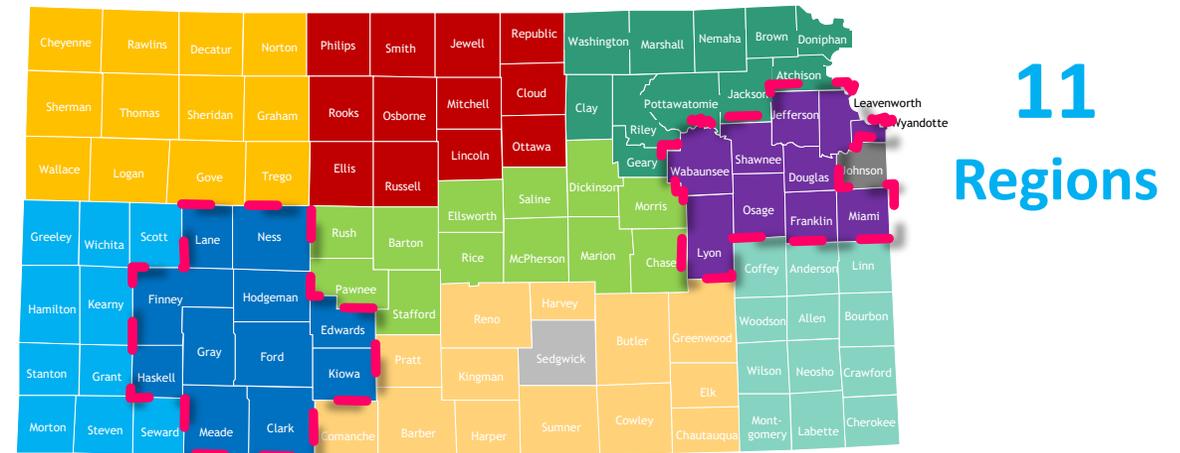
Of the \$400M allocated to Counties by the State:

- Total expenditures (March-July): **\$45M**
- Planned Aid before Dec. 31st: **\$317M**
- Missing from reporting: **\$38M**



Plans will be aggregated and analyzed by region

- How are Counties distributing funds?
- What needs are being covered (e.g., education)?
- When is spending planned for through year end?



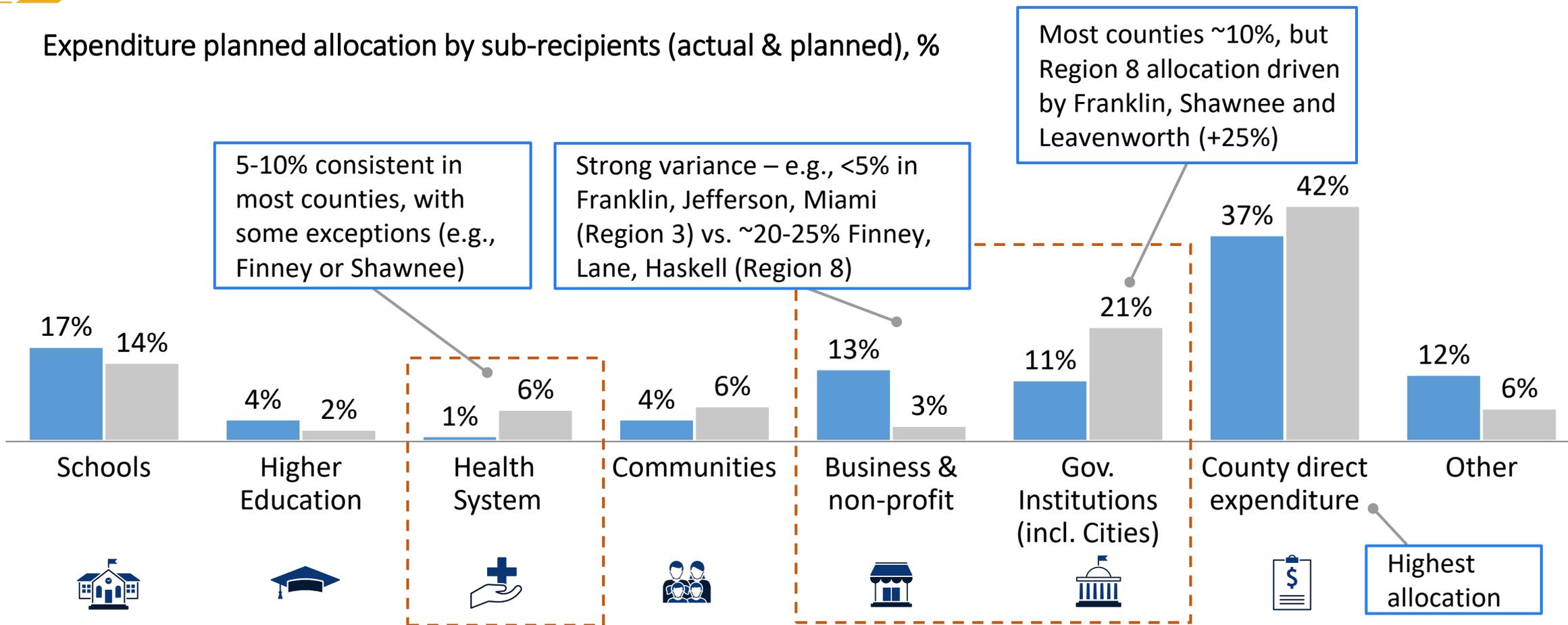
1. Some planned expenditures may include retroactive grants; includes \$18M planned from August-December but not reported by month
 Source: Department of Commerce; County Aid Plans and Reimbursement Reports

Example included today

Comparison of two regions: Similar direction with some variances

Counties direct expenditure shows the highest allocations (~40%)

Expenditure planned allocation by sub-recipients (actual & planned), %



Region 3: Clark, Edwards, Finney, Ford, Gray, Haskell, Hodgeman, Kiowa, Lane, Meade & Ness

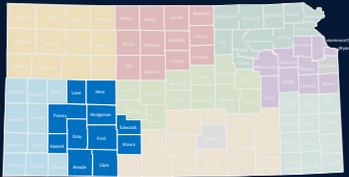
Region 8: Douglas, Franklin, Jefferson, Leavenworth, Lyon, Miami, Osage, Shawnee, Wabaunsee & Wyandotte

Note: community includes programs for at-risk population (household relief, food assistance programs, senior assistance programs, etc.)

Source: County Aid Plans and Reimbursement Reports

Preliminary – to be further analyzed

Region 3: Clark, Edwards, Finney, Ford, Gray, Haskell, Hodgeman, Kiowa, Lane, Meade, Ness

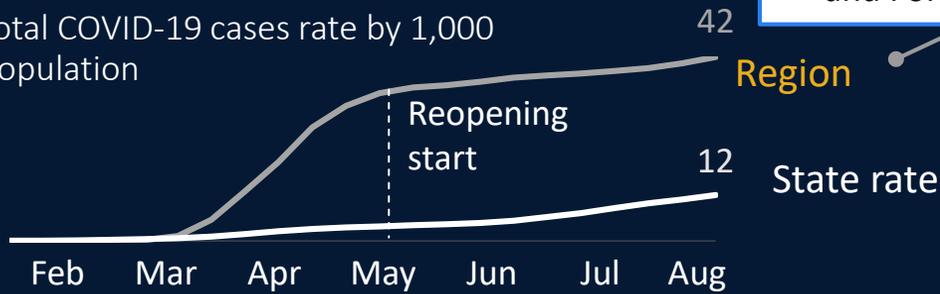


Region key facts

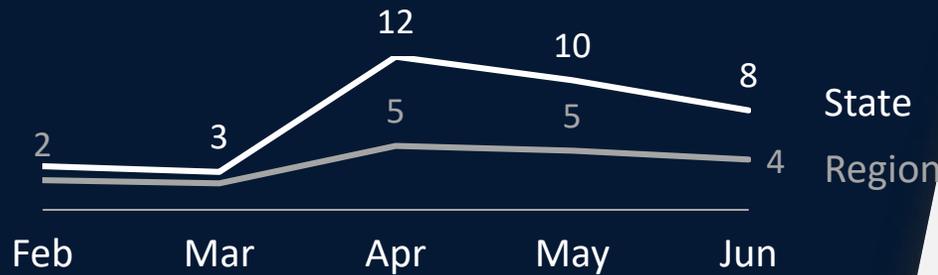
- Total population: 97,421
- Total allocation: \$28M

Evolution of key drivers

Total COVID-19 cases rate by 1,000 population



Monthly unemployment (%)

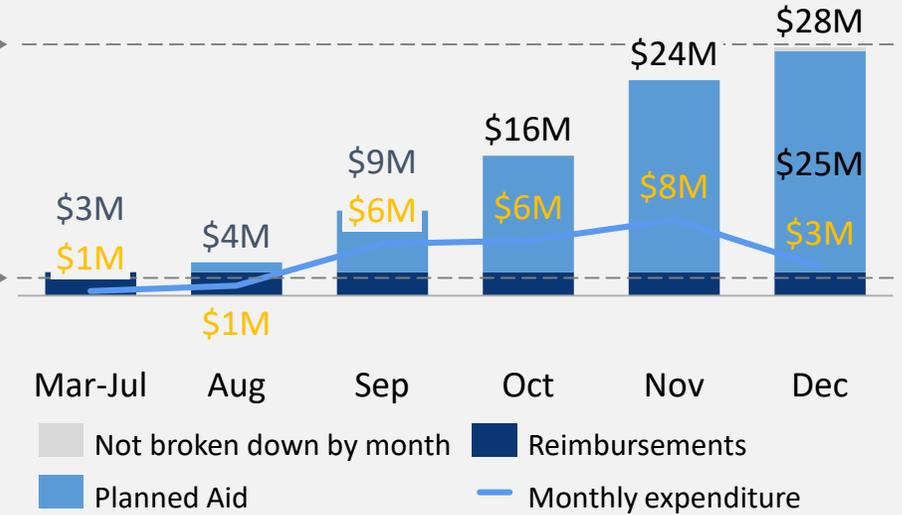


Mainly driven by Finney and Ford high rates

Cumulative total expenditures (actual & planned), \$M

State Allocation: \$28M

Reimbursements: \$3M



Planned expenditures by recipient (actual & planned, \$M)

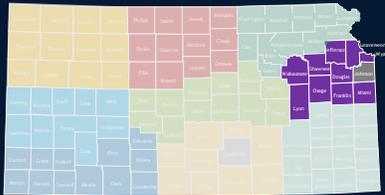
Schools	\$5M	17%
Higher and other education	\$1M	4%
Community	\$1M	4%
Health system	\$0.5M	1%
Business & non-profit	\$4M	13%
Gov. institutions (incl. cities)	\$3M	11%
County direct expenditure	\$10M	37%
Other	\$3M	12%

Most counties (except Ford and Finney) have allocated ~10% to Health system

Includes \$3M Finney programs to be distributed across Health, nonprofits, school districts, etc. but whose exact allocation has not been decided yet

Preliminary – to be further analyzed

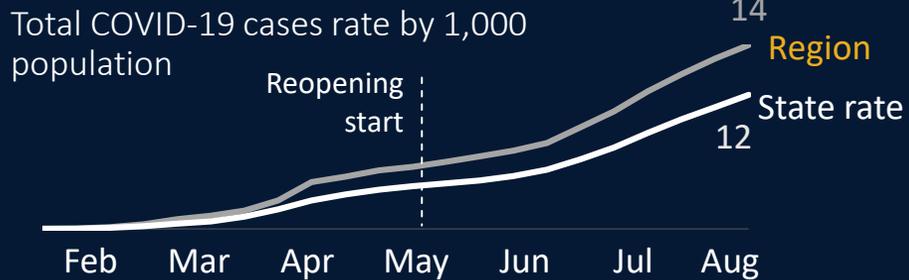
Region 8: Douglas, Franklin, Jefferson, Leavenworth, Lyon, Miami, Osage, Shawnee, Wabaunsee and Wyandotte



Region key facts

- Total population: 681,220
- Total allocation: \$147M

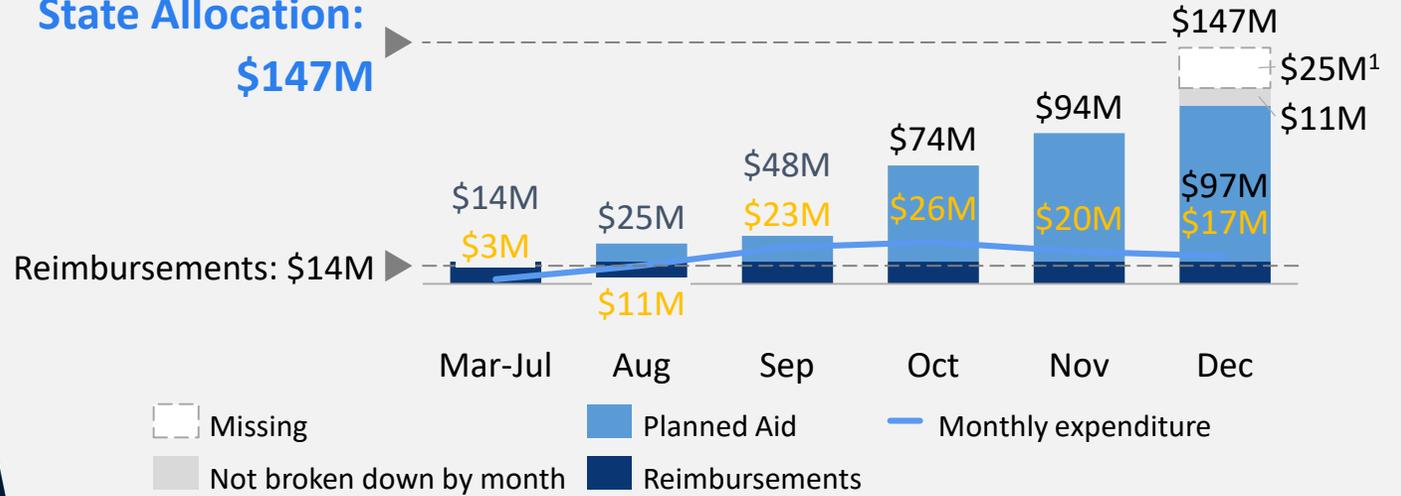
Evolution of key drivers



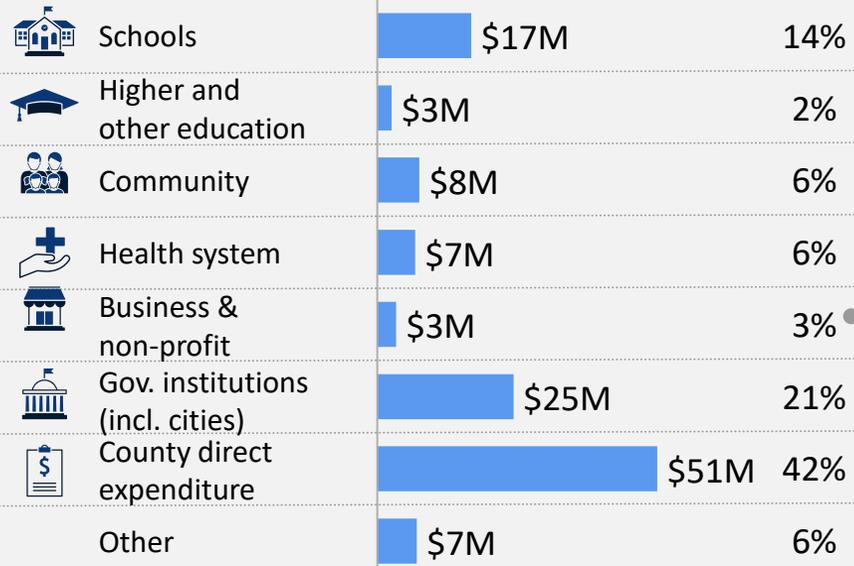
Source: BLS; Kansas Department of Labor; Kansas Municipality Tool Kit; County Aid Plans and Reimbursement Reports

Cumulative total expenditures (actual & planned), \$M

State Allocation: \$147M



Planned expenditures by recipient (actual & planned), \$M



Great variance across counties – e.g., Osage and Wabaunsee Counties allocating +30% to schools vs. 5-10% of Wyandotte or Leavenworth

Most counties <5% with some exceptions (e.g., ~15-25% in Osage, Wabaunsee & Lyon)

Leavenworth, Lyon Osage and Wabaunsee have allocated <15% to direct expenditure

1. \$25M not reported from Douglas 2. \$11M from Wyandotte, reported but not broken down by month



AGENDA ITEM V

Next Steps

NEXT STEPS

General information:

- ✓ We have received all of direct aid plans and reimbursement/reporting spreadsheets
- ✓ Office of Recovery is busy evaluating submissions and have made a commitment to provide feedback and authorization to proceed by September 15; initial feedback anticipated to be provided to Counties next week
- ✓ Future reporting – process for amending reimbursement/direct aid:
Office of Recovery is streamlining the reporting process – more information to be released next week
- ✓ September 2 SPARK Joint Committee Meeting; 10 AM
- ✓ The Office of Recovery has engaged with an experienced management consulting firm to assist with the implementation of CRF



NEXT STEPS

Information About Our Consultant Team

We have recently chosen the combined team of Boston Consulting Group and Witt O'Brien's to support the State of Kansas' implementation of CRF.

BCG has been providing COVID-19 strategic planning and program design at the federal, state and local level and will assist in programmatic analysis and state level grant design to ensure critical investments are applied to the appropriate and most impacted areas.

Witt O'Brien's is providing support to state and local governments, advising the most strategic and complaint use of over \$4.5 billion of CRF proceeds. They bring Policy/Grant Administration specialists with experience in federal grant administration centered on community development, economic revitalization, operational continuity, public health, social services, emergency management and individual assistance programs.



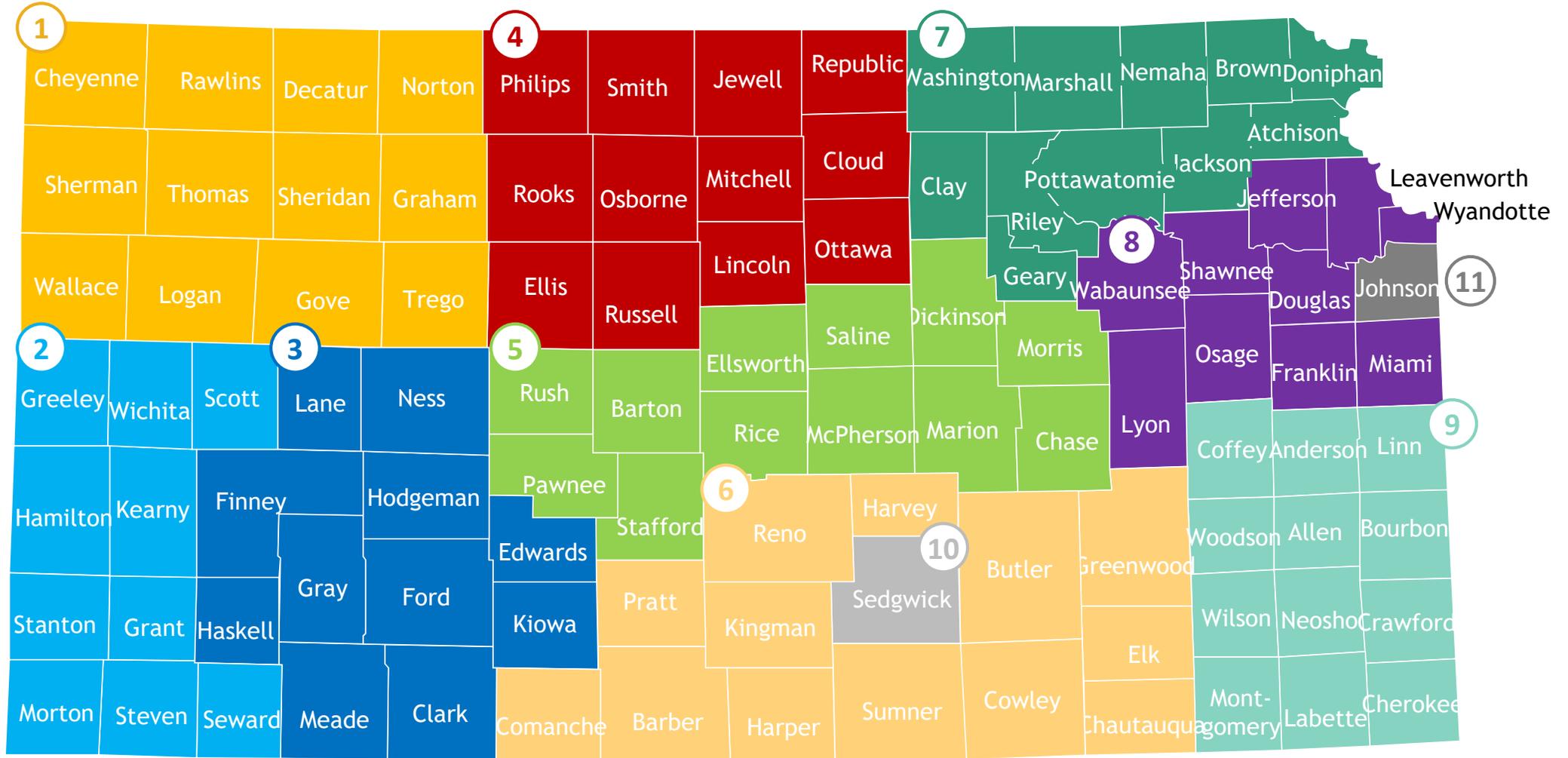
NEXT STEPS

Accessibility

- ✓ Together with our consultants, the State will be implementing more a ‘hands on’ level of support to Counties through a regional support model.
- ✓ As part of this support, a technical assistance specialist will be assigned to each region. County staff can work with this TA specialist on:
 - Eligibility Considerations
 - Monitoring/Compliance Best Practices
 - Grant Administration Implementation Best Practices
 - Reporting Expectations & General Considerations



SPARK ROUND 1 LOCAL GOVERNMENT REGIONS



NEXT STEPS

Spending Plan Review Outcomes:

- ✓ Overall intent of review is to identify potential compliance issues
- ✓ Review is beneficial for County and the State – identifies areas that could be problematic for the County (and therefore the State) for compliance reasons
- ✓ Potential outcomes of review:
 - ✓ County is authorized to move forward with implementing their plan and paying their reimbursements; some additional information may be needed
 - ✓ County is authorized move forward with implementing their plan on some of spending plan, but additional consultation with State is required. These items will be clearly outlined in our review response



NEXT STEPS

Accountability:

- ✓ Authority to proceed assumes County accountability – you are still responsible to ensure compliant use of funds
- ✓ Under the County resolution, Counties agreed to “cooperate with any audits or inquiries by the Department of the Treasury concerning CRF funds” and to pay “any debt incurred to the Department of the Treasury due to ineligible expenditures of appropriated CRF funds.”
- ✓ State authorization to proceed does not mean that the State will hold the county harmless from any audit findings that the County expenditures are not compliant
- ✓ Incorporate documentation best practices concurrent to your use of funds to be appropriately prepared for audit – Single Audit requirement = >\$750k
- ✓ PLEASE work with your attorneys, accountants, and consultants to take appropriate steps to reduce potential liability; document the who, what and why re: funding use



NEXT STEPS

THANKS:

- ✓ Thank you for the submissions – great work by all Counties
- ✓ Thank you to everyone for continued participation
- ✓ Thank you for our strong partnerships
- ✓ Thank you for working to make Kansas better!





Questions?